ABRN
AUTO BODY REPAIR NETWORK

MULTI-SHOP OPERATOR

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DO YOU NEED AN INFORMATION RESEARCH DEPARTMENT?

Tracking down OEM repair procedures can be a full-time job

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Talk Shop Anytime
THE VOICE OF THE COLLISION REPAIR INDUSTRY

OPERATIONS

FEATURED COLUMN

ONLINE EXCLUSIVE

THE FIGHT FOR DATA ACCESS

Access to vehicle data is an ongoing battle in the aftermarket, and one the industry and our customers need to actively engage in. *ABRN*'s Krista McNamara speaks with the Auto Care Association's Bill Hanvey — brought to you by The Network — and he walks viewers through the importance of data access and consumer choice for the aftermarket.

WEB EXCLUSIVES // ABRN.COM

USE PAINT BOOTH TECHNOLOGY TO INCREASE EFFICIENCY

The new webinar from Global Finishing Solutions can show you equipment setup tips, local distributor roles, the financial boost of one or more cars in the booth, the painter's perspective on booth cycles and much more. Join Jason Garfoot, senior technical advisor with GFS, as he shares knowledge from his 14-year career in the industry.
ABRN.COM/PBTECHNOLOGY

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SATA Rapid Preparation System (RPS) multipurpose cups are great for mixing, spraying and, when the job is complete, storage. Watch four short videos, each outlining a benefit your painters want to help them do a better, more efficient job. Plus, see a bonus video featuring trick shots your painters likely can do, too!
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FROM LEFT TO RIGHT: Dean Fisher, COO of CARSTAR; Jamie White, Michael Macaluso, president of CARSTAR; Paul Cross; and Sean Hinton, manager at CARSTAR Lindsay, CARSTAR Haliburton and CARSTAR Bancroft.

INDUSTRY AWARDS

CARSTAR NAMES TOP FRANCHISE PARTNERS AT CONFERENCE

ABRN WIRE REPORTS //

At its annual conference this summer, CARSTAR recognized the U.S. and Canadian CARSTAR franchise partners of the year for their continued leadership and high performance.

Michael Macaluso, president of CARSTAR, and Dean Fisher, COO of CARSTAR, presented the CARSTAR Franchise Partner of the Year awards to Jamie White, named U.S. Franchise Partner of the Year, and Paul Cross, Canadian Franchise Partner of the Year.

White, a franchise partner for almost 10 years, owns CARSTAR Dalton South and CARSTAR Ken's North. He is focused on growth and solidifying CARSTAR's footprint in his market with plans to open a third location within the year.

Cross, owner of CARSTAR Lindsay, CARSTAR Haliburton and CARSTAR Bancroft, has delivered leading KPIs and an exceptional customer experience. Continue reading at ABRN.com/winners.

BREAKING NEWS

INVESTMENTS

PRIVATE EQUITY IN COLLISION REPAIR

BRAD MEWES // Contributing Editor

This year is shaping up to be a record year of private equity in collision repair. Beginning late last year with the Caliber/ABRA merger and recapitalization, the industry has renewed interest by private equity investors. These are the trends that are increasing private equity in collision repair.

First, let's recap the successful Caliber/ABRA merger. Success breeds success. In 2013 when ONCAP exited the Caliber investment to OMERS for about $425 million, ONCAP generated a 7.5x return on invested capital. Gains like that in a few years grab investors' attention. When the existing equity holders in Caliber recently recapped and merged ABRA with Caliber at a multiple rumored to exceed 15x, similar eye-popping returns were generated but on a much larger absolute dollar figure.

MSOs are also seeking private equity rather than exiting to strategic buyers. Continue reading at ABRN.com/PE2019.

TRENDING

NEW INCENTIVES FOR MAACO FRANCHISEES

Maaco Collision Repair and Auto Painting is offering significant financial incentives to investors, entrepreneurs and existing franchisees who sign a franchise agreement by Dec. 31, 2019.

ABRN.COM/INCENTIVES

CALIBER APPOINTS NEW EXECUTIVES

Caliber Collision appointed Judd Nystrom as Chief Financial Officer and Claudia Schaefer as Chief Experience Officer to replace Bob Gary and Greg Clark, respectively, who announced their retirement.

ABRN.COM/EXECS

CARSTAR UKIAH OPENS IN CALIFORNIA

CARSTAR announced the opening of CARSTAR Ukiah in California. The owner, Jeff Yokum, also owns CARSTAR Yokum's Body Shop in Willits, Calif., which he took over from his father in 2008.

ABRN.COM/UKIAH

1COLLISION NETWORK ANOUNCES HR PLAN

The 1Collision Network has partnered with a national benefits provider to offer benefits including health, dental and life insurance, a 401K plan and payroll solution for affiliated collision repair centers.

ABRN.COM/HRPLAN

MSO SYMPOSIUM RETURNS TO LAS VEGAS

The 2019 MSO Symposium will take place Nov. 4 in Las Vegas at the Mandalay Bay and encompasses networking opportunities and a dynamic agenda to assist large and growing MSOs.

ABRN.COM/MSO2019


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Taking a hard look at the true cost of scanning

Inconsistent policies across the board are costing repairers time and money

Over the years, our industry has experienced a number of significant changes — actually, events — that have triggered major differences in how we repair collision-damaged vehicles. Some that come to mind include GM embracing unibody construction, new substrates, DRPs, basecoat/clearcoat paint and automated parts procurement.

Typically, there is a topic introduction, public anxiety, training and new equipment, followed by a normalization of process and pricing. The exercise has usually taken a couple of years or so before there is less anxiety and a common normalization, including a typical methodology of pricing as well as a typical common pricing range used by repairers and insurers.

As we are experiencing one such industry change — the pre- and post-repair scanning of electronic systems — I am struck by how long we have been in flux without normalization. It has been about four years since the topic rose to the forefront of discussion within industry events and publications. Yet there are still immense differences in pricing, definition and process policy. The vehicle manufacturers have been relatively consistent in calling for scans in their repair procedures and over the last few years they've added clarity by issuing many position statements on the topic. Many are getting away from using terms such as "recommend" and instead using terms such as "require," creating the impression that it is not simply a good suggestion, but instead part of the vehicle manufacturers' repair procedure. Repairers have been slowly embracing scans and establishing procedures while making tool and vendor choices. Information providers studied the scanning process, including the use of various tools on various vehicles. They concluded that they are at this time unwilling to establish database times for scanning since the time required varies so much. They have come out with position statements stating this conclusion. While our industry segments all share in some dysfunction and hesitance, some of the major insurers stand out as the most inconsistent and unclear.

WHILE OUR INDUSTRY SEGMENTS ALL SHARE IN SOME DYSFUNCTION AND HESITANCE, SOME OF THE MAJOR INSURERS STAND OUT AS THE MOST INCONSISTENT.

The insurers are under immense pressure from competition and quickly rising severity, so it is obvious why they seek situations where they don't have to pay for scans. It's understandable, but not necessarily a good excuse. Making the consumer whole after a loss is their legal and (at least should be) ethical obligation. Whatever the vehicle manufacturer instructs or recommends should be the standard. Becoming an amateur electronics engineer and developing one's own standards should be considered a suspect policy. I would not want to defend such a policy in court.

As evidence, I call to your attention the position statement issued by State Farm last spring. It casts doubt on the validity of vehicle manufacturer position statements, calling them "general in nature" and "not specific to a particular year, make, model, type of damage or even repair scenario." Funny, don't they come from the same people and sources who establish the repair procedures? Because they acknowledge common repair methodology among groups of their produced vehicles does their content become diminished and not necessarily to be trusted?

It states that "a post scan may not be necessary, or may be included in a calibration process. Calibration and related steps are considered separate from scan activities." What? If a scan is included, then how is it separate?

The statement mentions evaluating manufacturer position statements as well as when a scan is necessary on a "case-by-case basis, evaluating specific facts, vehicle equipment and damages specific to a particular loss." OK, if I am an appraiser,

what does that mean? How much is enough equipment or which equipment? How much damage is enough?

Yet after casting doubt on position statements and when to scan, that statement says, “Select Service repairers are expected to prepare estimates in accordance with these specific repair procedures.” Not case by case? The statement concludes by getting into pricing, stating that “.5 hours at mechanical rate is typically sufficient.” Then they state that if a vehicle can’t be scanned with an aftermarket scan tool that “scan operations can be completed remotely, using third-party vendors.” They describe how .5 hours of labor time can be added to the sublet fee. Under these two scenarios, the first with an aftermarket tool, and depending upon market labor rates, pre- and post-repair scans would run about \$75-\$150. The second scenario with the third-party involvement, again depending upon market labor rates, would run about \$250-\$325. That’s quite a dramatic difference in range. Where’s the common ground? How did we get into aftermarket tools versus third party and what about a shop who uses their own factory scan tool?

A new scanning position statement from Auto Owners Insurance was recently released. They state, “Regardless of whether an OEM has a position statement or not, if an automobile with onboard diagnostics is involved in a collision that requires intrusion into electrical, safety and/or driver assist systems...Auto Owners will include pre- and post-repair scan operations on the initial appraisal.”

Interesting. Since all 1996 and newer models include OBDII, it sounds like all would be included. They go on to establish their pricing philosophy, stating, “Auto Owners will pay 1 hour for the pre and 1 hour for the post scan at the shop’s mechanical rate.” They go on to elaborate that reimbursement of an invoice documenting a higher charge “is appropriate.” It’s quite a contrast from the State Farm position statement.

I believe that State Farm and Auto Owners should at the very least be commended for the courage to share their positions in document form. Most insurers in most situations only utilize verbal communications with shops, which lack the same validity and accountability of a document.

Anecdotally, I’ve run into other philosophies. One insurer I interact with refuses to pay for pre-repair scans (with rare exception). Their area manager tells me that the pre-repair scan is not necessary no matter what the vehicle manufacturer says and that the post-repair scan can find all issues at the end of the repair. When I give some examples of finding issues early in the repair — such as deployed seat belts — that can expedite parts ordering and minimize delays, he tells me that he will gladly pay more rental cost to avoid the cost of pre-repair scans.

Another very large insurer tells me that it is their company’s policy to only pay .5 hour at the mechanical rate per scan. Their regional manager told me that it is in their policies. When I asked him to elaborate, he said the insured’s policy states that they only pay “prevailing rates.” When I asked for a definition, he told me that it is the lowest price any single repairer in a market would accept, though he said in practicality he tries to find a few shops. I asked, if I was in an area of 10 shops and one offered a lower price, is that one the “prevailing rate?” He said technically, yes. I find it ironic that despite their apparently endless marketing budget for cute ads, they are arguably the most frugal when it comes to covering costs for a safe and proper repair for their customer’s vehicles.

I also find it ironic that there is little discussion on what is included in a scan charge. Researching manufacturer repair procedures and/or position statements regarding scans? Connecting battery support (which may include removal of some interior components to access the battery)? Researching diagnostic trouble codes (DTCs)? Clearing codes, in some cases selectively? Initializing modules?

Obviously pricing and policies on scanning can vary dramatically. What is the answer? Personally, I prefer a flat fee that encompasses pre- and post-repair scans including battery support and research and initializations. While imperfect because it doesn’t reflect the varying time for each scan, it does minimize friction. Like our typical paint and material calculations, which are similarly more of an average than precise for the job, it can work out for the shop to adequately cover costs, including labor and tools and education and much more, as well as provide a reasonable profit. It is a simplistic methodology. It removes the potential discussion and negotiation from each and every job — such as how long did it take — leading to discussions on tech competence and tool efficiency, which some pricing methodologies come with. There should not be such a wide range of pricing, especially taking into consideration those shops that use their own factory and/or aftermarket tools. Their costs are not dramatically less (assuming they use high-quality tools with properly trained staff) than those who use remote or sublet solutions.

I think we should follow factory guidelines, including repair procedures and position statements. When in doubt, we should err on the side of caution. Safety, especially for the consumer, should be our primary concern that guides our decisions.

DARRELL AMBERSON is the president of operations for LaMettry’s Collision, which has eight locations in the Minneapolis and St. Paull area. He is a board member for the Automotive Service Association, and he has more than 40 years of collision industry experience. *damberson@lamettrys.com*

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TABLE TALK

A look at what larger collision repair organizations are working on, seeing down the road

JOHN YOSWICK // Contributing Editor

What are the challenges facing multi-shop operators? How are they attracting and retaining the new, younger employees they need? How do they see the industry evolving?

Once again this year, *ABRN* convened an MSO Roundtable, bringing together a panel (see sidebar, "Who was at the table?", page 11) to discuss some of these topics. Here are highlights from the discussion (responses were edited for length or clarity).

What would you say is the biggest challenge facing your organization in the next 12-24 months, and how are you addressing it?

PAUL GANGE

Paul Gange: As we look out at the next 12-24 months, I think we find ourselves in a bit of a convergence. An industry we've worked in for many years is seeing new entrants in terms of influencers — specifically the OEMs, but also others, folks that are beginning to assess quality of repairs, for example. So we're investing a considerable amount of our time and resources into tooling and training, and into developing strategies for working more closely with those types of entities. While quality repairs have always been important, I don't think they've ever been more important than they are today. Ensuring consistency from repair to repair is of the utmost importance for us. The risk [of not doing so] is just too high.

ANDY TYLKA

Andy Tylka: We aren't as much DRP-driven as dealership-driven. Before, the customer would call the dealership and the vehicle would just get sent to us. That's not the case anymore. The dealerships are being required to send vehicles to OEM-certified shops. We were behind the eight ball. We took ourselves off of I-CAR [Gold Class] maybe eight years ago. We're back on that program. We're scrambling to get our certifications. That's our biggest challenge right now.

Chad Smith: With the advancement of technology and

PHOTO: INDEED / GETTYIMAGES.COM

ADAS, we're trying to consistently focus on repair planning and disassembly, but we were trying to do it with the same number of people. That won't work. You're going to have to grow your front office staff in order to properly predicate the repair with the correct procedures and information to move through production. We're looking at hiring more administrative people, one per location, just to serve as a repair planner and to do all the research.

CHAD SMITH

Dean Fisher: We're really focused on the consolidation process that's taking place. We feel that's going to change the landscape to some degree. For CARSTAR, our concern is high-level growth. Adding 100 or 200 shops on an annual basis is a great opportunity, but how do you maintain the culture and the quality? Controlling the outcome of your facilities, whether you own them or whether you're on the franchise side, is important. What that looks like to the consumer, the insurers and the OEMs is a real important concern of ours.

DEAN FISHER

Aaron Schulenburg: For us, that workforce development piece is really important for our members. Size and scope affords [larger companies] some opportunities to do some [workforce] development that's harder for some other folks. We want to make sure whether it's a small or large business, there's an opportunity to draw people into our industry and give them a good career and advancement path. So we're working on things like 401(k) plans and trying to find the right solutions around health care — things that are going to help the industry grow and pull in some of the younger generation.

AARON SCHULENBURG

What have you found most effective in attracting, motivating and retaining workers in the 20-35 age range?

Darren Huggins: We're having to get a little creative, having to be a little bit more user-friendly for employees. Before, it was: 'We open at 7 a.m., and we go until 6 p.m.; you get an hour for lunch and a break twice a day.' Now we're having to be a little bit more flexible. We're also finding that, depending on demographics, a lot of kids getting out of high school just need a job. They're not saying, 'I've got to go to school and I need this degree.' They are saying, 'I need to go to work.' So we're really focusing on the mentorship piece, seeing if we can help some of these students that really need to get into work right away get a career started. We're having some success with that.

DARREN HUGGINS

Gange: Collectively, we still think we're the same industry we were. It's a different industry today. We all lament that [young people] want to work for companies like Apple or get into artificial intelligence or gaming or some sort of technology company. They're not generally looking to pound dents out of the side of a car. But our industry has changed so much. There are positions in our shops now that didn't exist five years ago, positions that, if marketed properly, compete very well with companies in Silicon Valley. Scanning technicians, people responsible for calibrating vehicles, those deeply involved in the way the computer systems in our vehicles work. In the front office, we have positions for people who are focused on social media management, and different types of marketing roles like that. If we start thinking that way, we'll find we can attract those in their 20s and 30s.

Schulenberg: For a younger generation, the new technology presents growth opportunities that allow for less static experiences within the business. Some of the shops that I think are really successful provide their employees opportunities to grow and tackle other tasks, even if those tasks are outside their initial core responsibilities. It gives the shop a little more experience on the bench, but also

WHO WAS AT THE TABLE?

Dean Fisher is the chief operating officer for CARSTAR in North America, and a former owner of CARSTAR shops.

Paul Gange is the president and chief operating officer for Fix Auto USA.

Darren Huggins is national collision director for Berkshire Hathaway Automotive, which operates more than 30 dealership body shops.

Aaron Schulenburg is the executive director of the Society of Collision Repair Specialists (SCRS).

Chad Smith is co-owner of Smith Bros. Collision Centers, which operates three shops in Mississippi.

Andy Tylka is a second-generation owner of Tom and Ed's Autobody, which has five locations in Northwest Indiana.

gives employees the ability to feel like they are doing something new regularly, developing new skill sets.

Tylka: One thing we do well is recruitment and internal training, and we're always recruiting. We're not just recruiting when we need somebody. We're doing that 12 months out of the year. We interview everybody. We're also putting more entry-level people into new positions like those doing the [repair] research and the scanning and checking in the vehicle before we even pick up a tool. Those are becoming full-time positions. We can bring in a younger generation to do that work, and then train them into a body tech or estimator. We notice with these younger people, we need to have a career path for them. We tell them, 'These are the goals you need to accomplish,' and we regularly have meetings with them to see where they are on their goals. They want that constant feedback and clear career paths to get to where they want to be. It's working out really well for us.

PREDICTIONS, PREDICTIONS

ABRN MSO Roundtable participants were asked what they foresee happening in terms of the size of the U.S. shop population, and when they see individual consumers being able to buy "Level 5" fully autonomous vehicles.

None think the total number of shops (rooftops) will be higher five years from now, in 2024. Aaron Schulenburg said he foresees little or no change, or at least less than a 5 percent drop. The others think there will be more of a decline, including predictions of a drop of 10 percent or more by Darren Huggins, Andy Tylka and Dean Fisher.

"Vehicle technology, and the cost of doing business will be the key factors," Fisher said. There was a wider spread in when they think fully autonomous vehicles will be sold to consumers at U.S. dealerships. Chad Smith thinks such vehicles will be in some markets in the next 5-7 years, and Tylka foresees them in consumer's hands before 2030, with politics and public concerns slowing the process down more than technology.

The others don't see it happening before 2030. Fisher said it will require a full-scale 5G network to accommodate geopositioning. Huggins thinks technology issues will push it even further out, at least 20 years from now.

"The OEMs have a long way to go," he said.

What changes do you see happening in the relationships among automakers, insurers, shops and consumers?

Fisher: We think the insurers are embracing the OEMs a little bit more. I think they understand the OEMs will be in a position to control first notice of loss. It leads us to wonder: How much are they going to integrate into the claims handling process? What is that going to look like? They want the customer to stay in a GM car or a Ford car or a Chrysler car. They want them to go to a certified collision center. They want the vehicle repaired in a safe manner and returned properly to the street. They recognize there's migration from a brand if a customer has an accident and the vehicle is not repaired properly in a timely manner. I think the insurers will embrace that process to some degree.

Schulenberg: There's often been this challenging dynamic between the insurer and the repairer. While their objectives should kind of line up, sometimes mitigating claims costs gets in the way of the shop's objective to be profitable. I think you're seeing the OEMs creating a triangle [with shops and insurers] versus just the dynamic back and forth between insurers and shops. But at the end of the day, I think we should all be focused on performing the right repair, putting people back on the roadways safely. There's a lot of alignment between the repairers and the OEMs, especially relative to procedures. But I struggle with the fact that there's still a big discrepancy in finding mutual acceptance [by insurers] of repair procedures and repair approach. I still don't feel like we're on the same page. You still have folks who are arguing that repair procedures are 'case-by-case.'

Smith: As a shop, you need to look at why you want to achieve OEM certification. I would love to see the automakers get more involved because they could drive the conversation from the first notice of loss forward based on who is certified. But nobody knows that at this point. So from a shop standpoint, why should we go after shop certification? We do that for a couple of reasons. One, we use it as a marketing tool. We let the customer know what it means to them. But secondly, it's our responsibility to properly repair these vehicles. How can you properly repair them if you don't have the training and the access to proper information to do so? [The certification programs] aren't perfect, but that's all we've got. How else can you sell to the customer that you're going to properly repair that vehicle?

Higgins: That first notice of loss, when telematics become full-blown and the certified shop gets notice before the [insurance] carrier does, is going to change the game dramatically. If you sold the car and you get that first notice of loss before the carrier gets a chance to direct or steer it, you think that's not going to change things? I think the next few years are going to be transformational, and I think it's going to be pretty exciting.

JOHN YOSWICK is a freelance writer based in Portland, Ore., who has been writing about the automotive industry since 1988.
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Testimonial

Freehold Collision, Freehold, NJ
from left are George Aquagallo, painter,
Bob Buckingham, owner and Jake Zieba, painter.

Do you use SATA RPS as a multipurpose cup and how?
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Where do you see the advantages to this system?
There are less moving parts compared to a liner system. It's quick and easy, every cup is new and clean. We have no dirty outer cup and ring to clean, plus they can be refilled easily without drips or mess letting us use them again in certain situations. We find that the cup allows us to use all the material inside for a consistent application and color matches are much better. We use all SATA equipment in the shop and there are no adaptors needed to use the system. The system is simple and it works perfectly.

Which size do you prefer to use?
We use all three sizes depending on the job. Mostly the 0.9L for clear on multiple panels. The 0.6L for base coat and 0.3L for bumper covers and spot repairs. We use them for our waterborne and solvent systems.

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DO YOU NEED AN INFORMATION RESOURCE DEPARTMENT?

Tracking down OEM repair procedures can be a full-time job

DARRELL AMBERSON //
Contributing Editor

I am fortunate to work for LaMettry's Collison, a regional MSO with many vehicle manufacturers' certifications and dealership relationships. As a result, we work on many newer and high-end vehicles.

Our company policy is that we repair vehicles according to vehicle manufacturer's repair procedures. For years, it's been part of our SOPs that our estimating staff look up and provide the procedures for structural repairs. In recent years, we are requiring that estimating staff look up procedures for virtually all repairs. With the increased prevalence of Advanced Driver-Assistance Systems (ADAS), it has become an increasingly larger challenge. We have our own mechanical departments who have been enlarged to include almost all aspects of ADAS repair and calibration. We have been fortunate to have a few people who have developed higher skill levels in finding the repair information we seek, which can be exceedingly difficult to find in some cases.

Among our SOPs is that the estimator put verification of the procedures in the management file in the form of a PDF and must at least show the first page of the procedure and date. That way, we can show the source and prove that the procedure is current.

We saw a need to set up our own information resource department to help with this growing need. As I write this, we are only months into the initiative, with it being up and running for about 30 days.

Getting started

To begin, one needs to decide to what extent this department will be responsible for information. It is our belief, at least at this time, that our blueprinting estimators should continue to be responsible for looking up manufacturer repair procedures. For the most part, they have been successfully doing that, particularly regarding panel replacement procedures. It is vital that to complete an accurate and complete blueprint/estimate that the estimator know the proper procedures. We recognize that their greater challenge will be getting the procedures for ADAS work, including scans and calibrations, since they simply have less experience and expertise in this area. To assist, we

PHOTO: INGRAM PUBLISHING / GETTYIMAGES.COM implemented a policy requiring one of our high-tech people from our mechanical department review each vehicle and its blueprint and provide input before it is completed. These people are more inclined to already know of a required procedure or are inclined to suspect the necessity and research accordingly. For those of you who don't have such staff, it will be necessary to rely on collision staff and/or an information resource department to find the ADAS procedures. We decided that our information resource department should only be there to assist in the situations where the estimator and/or mechanic/high-tech person cannot find what they are looking for.

We selected a person who will dedicate part of their daily schedule to handle the information requests. We chose someone who has great vehicle and collision repair experience and knowledge. Our person has already proven themself to be exceptionally competent in navigating sources for procedures. We set them up with passwords, log-in codes, and other forms of access to all the possible sites we could think of, including: ALLDATA; I-CAR, especially the Repairability Technical Support (RTS) site; oemonestop.com; Identifix; and vehicle manufacturer's sites.

We set up a form that can be used to submit procedure requests that is short and to the point. It can be filled out online and emailed to our resource department.

Costs

By starting in such a modest way, labor costs are minimal. Subscription fees to sites such as vehicle manufacturers can each be considered and evaluated based on demand.

ALLDATA provides a form that can be used to create an invoice for researching repair procedures. Based on surveys, such as "Who Pays for What," and some industry event presentations, it is safe to say that it is becoming more and more common that shops charge for looking up procedures, particularly the most time-consuming ones. An information resource department can use the ALLDATA form to present to the estimator with the procedures that can be handled as a sublet cost and billed accordingly. Obviously, through such billing a shop can cover, or at least minimize, the expense of the department.

Challenges and what we have learned so far

Compliance can be a potential issue. It may be prudent to have some sort of a mechanism to assure compliance with a policy of looking up all procedures. Spot checks or periodic audits are among the tools to do so.

Through our limited experience, it appears that finding most panel replacement procedures is usually not difficult. In most cases estimators, sometimes with the help of techs, find the repair procedures and have no need for our resource department.

What can be particularly challenging is finding procedures on high-tech procedures, particularly regarding ADAS. More often than not these procedures are not found in the same section as the panel replacement. Different manufacturers use different terms to title these other sections, such as "Electrical" or "Optional Devices". Oftentimes one has to resort to performing a search. Again, different manufacturers use different terms, even when describing the same thing. Finding requirements for calibrations, such as fuel level and wheel alignment requirements, is even more difficult. The following is a list of some possible terms that can be of assistance when searching:

- The name of the component, such as lane change assist module or blind spot module
- Relearn
- Initialize
- Program
- Calibrate

It is helpful to gather some information for frequent use. A great example would be manufacturer position statements. The information resource department can handle that. At LaMettry's, we set up a shared document file within our computer system that everyone can access. Among other documents, we store manufacturer position statements for easy and frequent access.

A temptation will be to develop cheat sheets for frequently accessed information. One must be cautious when considering this for manufacturer repair procedures, as they commonly change. In the event of a question of repair it can be critical that a shop be able to prove they used the appropriate repair procedure provided as was current for the date of the repair.

Cheat sheets can also be handy for listing what vehicles with which options require various calibrations. Again, they can be handy and helpful, but a shop must be prudent in making sure the information is current, complete and accurate.

Conclusion

Again, we at LaMettry's are in the early stages of this journey. I refer to it as a journey, because we are learning as we go. Yet we already see value and potential in having our own information resource department. I believe with the rapid vehicle technology changes with increased sophistication, increased demands in repair methodologies and the resulting complications for repairers, information resource departments will become more commonplace, especially with MSOs, and they will be increasingly important within our industry.

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Customer-focused growth

Collison Pros expands while putting customers, employees first

BRIAN ALBRIGHT // Contributing Editor

When Brian von Tress launched Collision Pros in Northern California back in 2013, one of the reasons he did so was to get closer to the shops, his employees and his customers. After nearly 20 years in management roles with a larger MSO, he wanted to get back to his roots and have a better connection with his employees.

"I wanted to finish off my career a little closer to the customers and the employees," von Tress says. "Some of that was a little idealistic. It's harder than I thought, but I wanted to be a smaller company that gave back and cared about the customers and the employees."

Five years later that connection was fully tested when a wildfire stormed through the California Sierra Nevada region and destroyed his Paradise, Calif., location. In addition to the shop, several employees lost their homes in the fire. The owner continued to support payroll for the shop and donated to the families, and then launched a successful GoFundMe campaign to help his employees recover.

Eventually he relocated all of those employees to his other locations, but he also remained dedicated to Paradise. The area was decimated by the fire, but von Tress re-opened in a new building and hopes to be part of the effort to rebuild Paradise.

"There was a shift in population, and a lot of the population was displaced to Chico, Calif., where we also have a shop, so that store got very busy, and we were the only shop with the extra technicians to handle that load," von Tress says. "We were able to keep everybody busy right away."

"We found a shop in Paradise that did not want to re-open, so we acquired it and opened on a limited basis," von Tress continues. "We want to support the town and see it rebuilt. If every business abandoned the town, it could be 20 years before it comes back. We want to be part of getting the infrastructure back up."

Starting over from scratch

Von Tress began working in body shops as a teenager and while in college. He later served as a regional manager and then COO for Golden State Collision (later acquired by Caliber), which operated more than a dozen shops. However, after nearly 20 years in the business, he decided he wanted a change.

COLLISION PROS
Auburn, Calif. // CollisionProsInc.com

Brian von Tress Owner	**52** No. of employees
5 No. of shops	**1** Markets served
6 Years in business	**Axalta** Paint supplier

He saw an opportunity to launch a multi-shop operation north of Sacramento. In July 2013, he opened his first Collision Pros store in Auburn, followed by a store in Chico at the end of that year.

"In 2015 I brought on two key staff members, Ty Stowers and Jason Meehan, and gave them an ownership piece to run day-to-day operations while I focused on other areas like acquisitions. Since then we have been on fire opening at least one store per year," von Tress says.

The company's goal: 10 to 12 stores and $25 million in revenue. "But we are half way to that, and I think we are already looking beyond," von Tress says.

Targeted acquisitions

Collision Pros has centralized accounting, payroll, human resources, banking, marketing and acquisitions functions, while all

PHOTOS: COLLISION PROS

other operations are local to the stores. The company has grown exclusively through acquisitions, which von Tress had experience with at his previous company. "That's been more successful and it's a little less risky," he says. "I didn't really have the money or the energy to fail."

Once established, Collision Pros acquired its next few shops using Small Business Administration loans, and then paint company and owner financing. When looking for a shop, von Tress says he evaluates a number of different factors.

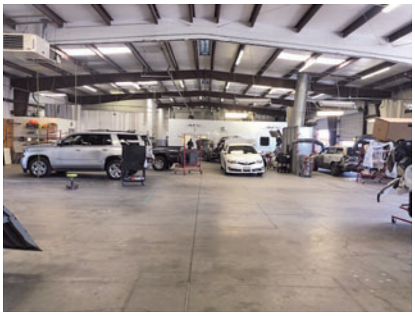
"Opportunity is the most important," he says. "I look for a shop that has market share, weak competition or overburdened competition. We want to gain immediate market share. Then it is important to us that they have a key staff that can continue on to run the store. In these small markets, the value of a local manager that's been onsite for years is invaluable."

Collision Pros has also purposely targeted Tier 2 markets because of the lack of interest from consolidators. "We have learned to thrive in markets that have had little interest from the big guys," he says.

Location is also important. "We want to be in a good, highly visible location that everyone knows where it is. Our keys to success are to have the best location, best equipment, best training, to be the most professional in the market, while maintaining the local-guy feel," von Tress says. "We have learned that people who live in small markets do it because they like small towns. They do not want to think of a corporation coming in and buying the competition. They are happy to have smaller companies like us if we contribute, give back and care about their town."

Once a shop is acquired, Collision Pros has a general set of standard operating procedures, but there is some flexibility built in.

"Because our shops are in the buildings they come with, it is difficult to standardize everything. The same is true for equipment; we usually have some level of good equipment to start with," von Tress says. "The things we always standardize are computers, software [CCC], phones, frame rack, measuring system and paint line. The rest we change when needed."



The stores also don't do any load leveling, because of the large geographic distance between locations.

Currently, von Tress says the company is trying to move away from estimating on the drive. "Writing a piece of paper for the customer on the drive makes no sense anymore," he says. "Instead we are moving more into consultation where we talk them through what they really need, which is to pick a shop and get started, and bring in the car and get it disassembled so you can get a correct estimate the first time."

However, that approach can be problematic, especially for locations where the work is booked out for several weeks. "It's hard to tell somebody that you can't do anything for them right at that moment, so we're looking at photo estimating," von Tress says. "We are thinking of doing that as a trainee position, so someone can cut their teeth on estimating that way."

Employee development critical for retention

Training is an important part of Collison Pros' operations, and von Tress says that the company tries to have an estimator and body tech being trained in each store. "We have a meeting with key trainees monthly to discuss progress, areas of interest, areas of need and check their level of happiness," von Tress says. "I find checking in with new employees is the key to the program. They can't feel like they are on their own. The key difference with us is we have a vested interest in their career."

Collision Pros is also active with the Coyote Vision Group (CVG), a 20-Group that meets quarterly. "That's been huge for us, and we have made it part of our entire management strategy," von Tress says.

For example, von Tress says that Collison Pros has a cycle time initiative based on CVG's method of reporting cycle times and standardizing reporting. "We're all looking at it the same way and can focus on what we need to reduce and talk about it regularly," he says. "We're all marching in the same direction."

And since many staff members are from small shops in remote areas, von Tress says that many of the managers have had little exposure to what other industry leaders are doing. "They can get in a group of their peers and get another perspective," he says. "They learn better ways of doing things."

Von Tress says that being an MSO provides a more supportive structure for the store and staff. "It allows them to take time off while being covered," he says. "Our relationships with insurance companies are key to the growth. Probably the biggest piece is we expand the thinking and vision of the staff. With training and joining Coyote Vision Group, our staff can see things they've never heard of and start comparing themselves to shops on a national stage instead of the local competition."

Being an MSO also presents some challenges when it comes to staffing. Employees can sometimes feel "lost in the shuffle," which makes it more important to have active communication. "Employees are our most important asset,

and because we are pulled in so many directions and they are used to an owner being on site every day, there is a void to fill," von Tress says. "We work hard on it, but it's there. The mileage between our stores is probably our biggest obstacle. It's not uncommon for us to drive four or five hours in a day."

As is the case with most other shops, von Tress also has trouble finding and retaining technicians. When they find potential recruits, Collision Pros puts those trainees into a program based on the Mark Claypool Mentors@Work apprenticeship approach.

"We have managers meet with them on a regular basis," von Tress says. "That needs to happen for retention. It's not just knocking the meeting off a checklist. The managers need to be vested in that person's future. If you care and establish that connection, you will retain them."

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